



CITY OF RAPID CITY

RAPID CITY, SOUTH DAKOTA 57701-2724

Community Planning & Development Services

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MEMORANDUM

TO: Rapid City Planning Commission
Brett Limbaugh; Director, Community Planning and Development Services

FROM: Robert Laroco, Planner III, Current Planning

RE: **File #16OA001: Ordinance Number 6100**, An Ordinance Amendment to permit a microbrewery as a conditional use in the Central Business District by amending Section 17.16 of the Rapid City Municipal Code

DATE: March 10, 2016

Interested public has recently requested that City staff determine the feasibility of introducing microbreweries as conditional uses in the Central Business District. Staff has reviewed the request and has noted the following considerations:

- The Central Business District is intended to form the metropolitan center for commercial, financial, professional, governmental, and cultural activities in the City.
- Permitted uses in the Central Business District include drinking and eating establishments as well as amusement and recreation establishments. On-sale liquor establishments are a conditional use in the General Commercial District and the Central Business District. A microbrewery is currently considered appropriate only as a conditional accessory use in the Central Business District, and may not operate as a standalone business. For example, a microbrewery is typically permitted as an accessory to a restaurant.
- The Planning Commission and City Council have previously determined that the Central Business District is the appropriate location for on-sale liquor establishments.
- Microbreweries continue to increase in popularity, both nationally and locally. The number of brewpubs, regional, and microbreweries has increased nationally from 1,521 in 2008 to 3,464 in 2014, according to statistics tracked by the Brewers Association. A number of microbreweries have recently opened in Rapid City and in the Black Hills.
- Permitting microbreweries to operate in the Central Business District as conditional uses is appropriate. Given the mix of entertainment, cultural, living, and eating opportunities



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which contribute to the livelihood of downtown Rapid City, as well as a desire to expand both the number and type of these businesses within the Central Business District, the addition of microbreweries operating as conditional, independent businesses in the Central Business District is in the best interests of the City.

Staff has utilized the existing microbreweries ordinance in the General Commercial District to create the attached ordinance to permit a microbrewery as a conditional use in the Central Business District. The Planning Commission should note that, if approved, a microbrewery will be subject to the review criteria for a microbrewery, the criteria for an on-sale liquor establishment, and the criteria for a conditional use, as noted below.

Review Criteria for a Microbrewery as currently existing in the General Commercial District:

- A microbrewery is defined as an establishment which manufactures less than 5,000 barrels of malt beverage a year.
- In addition to the malt beverage manufacturer's license required by SDCL 35-4-2-(14), the operator of a microbrewery must obtain the appropriate city issued retail liquor license if it intends to sell its product directly to the public.
- Accessory uses to a microbrewery specifically include, but are not necessarily limited to, the selling of food, operation of a restaurant, and/or selling of products associated with the microbrewery or manufacture of beer.

Review Criteria for an On-Sale Liquor Establishment:

- The requested use will not adversely affect the use of any place used for religious worship, school, park, playground, or similar use within a 500-foot radius.
- The requested use is sufficiently buffered with respect to residential areas so as not to adversely affect the areas.
- The proposed use will not create an undue concentration of similar uses, so as to cause blight, deterioration, or substantially diminish or impair property values.
- The proposed use complies with the standards of Chapters 5.12.140 and 17.54.030 of this Code.

Review Criteria for a Conditional Use Permit:

- The location, character, and natural features of the property.
- The location, character, and design of adjacent buildings.
- Proposed vegetation, topography, and natural drainage.
- Proposed pedestrian and vehicular access, circulation and parking, including that related to bicycles and other unpowered vehicles and provisions of handicapped persons.
- Existing traffic and traffic to be generated by the proposed use.
- Proposed signs and lighting.
- The availability of public utilities and services.
- The objectives of the adopted comprehensive plan.
- The overall density, yard, height, and other requirements of the zone in which it is located.
- The effects of noise, odor, smoke, dust, air and water pollution and the degree of control through the use of clarifiers, screening, setbacks, and orientation.
- The degree to which conditions imposed will mitigate any probably adverse impacts of the proposed use on existing adjacent uses.

The Development Review Team has reviewed the requested Ordinance Amendment and has recommended that the proposed Ordinance Amendment be approved.